

Ref. SF 032/2022

11 May 2022

Re Management Discussion and Analysis which are deviated more than 20% for 1st Quarter 2022

Attn. The President
 The Stock Exchange of Thailand (SET)

Starflex Public Company Limited would like to notify the operating results stated in financial statements which are deviated more than 20% for the 1st quarter 2022. The details will be shown as follows.

Operational reports

Unit: Million Baht

Gain/Loss	CONSOLIDATED		CHANGE (YOY)	
	Q1/2022	Q1/2021	AMT	%
Total Revenue	428.2	428.5	(0.3)	(0.1%)
GP	61.5	83.4	(21.9)	(26.2%)
Selling Expense	9.3	8.5	0.8	9.4%
Admin Expense	34.6	27.9	6.7	24.0%
Financial cost	1.4	0.6	0.8	133.3%
Tax	2.8	7.9	(5.1)	(64.6%)
Total Cost and Exp.	414.8	390.0	24.8	6.3%
Net Profit	13.4	38.4	(25.0)	(65.1%)

In Q1/2022, the total revenues were 428.2 million, decreased by 0.1% compared to total revenues 428.5 million in Q1/2021.

In Q1/2022, net profits were 13.4 million, or equaled to 3.1% of total revenues; decreased from 9.0% of total revenues in Q1/2021. The main reasons of gross profit margin and net profits margin decreasing were mainly from raising of raw material cost, in which the Company has just started to reflect it in the selling price since July 2021. In addition, regards on a progress of new plant construction in this quarter, all owned machines in Prakasa factory had been relocated to our main factory. As such, there would be temporarily production cost increasing.

In Q1/2022, selling expenses were 9.3 million increased by 9.4% compared to selling expenses 8.5 million in Q1/2021. However, in Q1/2022 selling

expenses were 2.2% of sale volume, while selling expenses were 2.0% of sale volume in Q1 /2021.

In Q1 /2022, administrative expenses were 34.6 million, increased by 24.0% compared to administrative expenses 27.9 million in Q1 /2021. This is mainly the cost of issuing warrants and the cost of installation a new ERP.

In Q1 /2022, financial expenses were 1.4 million, increased 133.3% compared to 0.6 million in Q1 /2021.the company's investing in the new plant construction which is invested by long-term loans from financial institutions and installments.

Statement of Financial Position

Assets

In Q1 /2022, the company had total assets of 1,548.4 million, increased 2.8% from 1,506.6 million in 2021. In this case, the company's assets increased mainly from Property, Plant and Equipment 62.0 million and from Account receivables 13.3 million.

Liabilities

In Q1 /2022, the company had total liabilities of 574.7 million, increased 5.2% from 546.3 million in 2021. The increasing of liabilities in Q1 /2022, mainly due to the company had borrowed of 162.1 million more, to support its business as well as to invest in new plant construction.

Equities

In Q1 /2022, the company had the equities of 973.7 million, increased 13.4 million from year end 2021 increase of 1.4%.

Yours Sincerely,

Somchai Wongrassamee

Chief Financial Officer

Starflex Public Company Limited